

**MEMORANDUM OF UNDERSTANDING**  
**LEON COUNTY AND AIR METHOD CORPORATION**

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This agreement is made and entered into on this 1<sup>st</sup> day of July, 2003, by and between AIR METHODS CORPORATION (AMC), a publicly traded Corporation, And Leon County, Florida ("COUNTY"), a political subdivision of the State of Florida.

WHEREAS, AMC operates an Air Medical Transport system to transport, by air, individuals who require emergency medical care to appropriate facilities; and

WHEREAS, AMC shall provide an air transport helicopter in Leon County for purposes of service delivery; and

WHEREAS, AMC and COUNTY recognize that the timely and efficient transfer of individuals requiring emergency medical care is in the best interest of patients in Leon County, and the efficient provision of health care services in the community.

NOW, THEREFORE, in consideration of the promises contained here in AMC and County agree as follows:

**I. Applicability**

This MEMORANDUM OF UNDERSTANDING applies to the transport of patients requiring air medical transport that originate in Leon County and is facilitated by Leon County Emergency Medical Services.

**II. Operations Procedures**

When an air medical transport is needed in Leon County, Leon County Emergency Medical Services through their Communication Center shall:

Contact AMC Dispatch at (888) 352-4354.

The County shall provide AMC with the following information:

1. Location of incident
2. Nature of incident
3. Number of Patients requiring emergency medical care
4. Ground Contact

AMC Communications will provide to County an Estimated Time of Arrival and the originating location of the responding helicopter and the tail number of the helicopter responding to that scene.

**III. Transport Destinations**

AMC shall determine scene patient's destination based on Leon County's Trauma Transport Protocols and Medical Patients based on Leon County Advanced Life Support Treatment Parameters.

**IV. Quality Assurance**

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AMC shall meet with representatives of Leon County monthly and discuss issues, procedures and specific cases. AMC shall provide pertinent data with the County representatives, acting as a quality assurance committee, related to response times, reliability, and other information requested by this committee. As provided in the law, the activities of the quality control committee shall be governed by Sections 395.51 and 401.425, F.S.

**V. Availability: Mission Readiness**

AMC agrees and assumes responsibility for keeping the Aircraft in a state of Mission Readiness. Mission Readiness shall mean that the Aircraft, medical crew and a licensed pilot shall be available 24 hours per day, 7 days per week, to respond to Leon County's emergency flight requests, subject to the regulations of the U.S. Federal Aviation Administration ("FAA"), unforeseen difficulties, weather, or aircraft maintenance procedures or problems.

AMC shall base or cause to be based, an Aircraft in Leon County. AMC as provider of services, shall provide medical control and management and shall operate the program in compliance with Leon County's Emergency Medical Ordinance and policies and procedures and national medical standards.

**VI. Transportation Costs**

If the transport is a life threatening emergency, AMC will transport or arrange for transport irrespective of the patient's ability to pay.

**VII. Insurance and Indemnification**

**A. AMC Insurance Requirements**

AMC agrees that it shall, during the Term, maintain the following minimum insurance coverage:

1. All risk ground and flight Aircraft hull insurance.
2. Aircraft liability insurance covering injuries to passengers or third Parties and damage to property in an amount not less than \$20,000,000 for any one accident or series of accidents arising out of any one event. Such aircraft insurance excludes medical malpractice coverage and aggravation of injuries to passengers.
3. AMC shall maintain limits no less than:
  - a. General Liability: Comprehensive General Liability Insurance including, but not limited to, Independent Contractor, Contractual Premises/Operations, products/Completed Operations, and Personal Injury covering no less than the liability assumed under indemnification provisions of this Agreement, with limits of liability for personal injury and/or bodily injury, including death, and property damage of not less than One Million and 00/100 (\$1,000,000.00) Dollars per occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to

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this project/location or the general aggregate limit shall be twice the required occurrence limit. Coverage shall be on an "occurrence" basis.

b. Automobile Liability: One Million and 00/100 (\$1,000,000.00) Dollars combined single limit per accident for bodily injury and property damage. (*Non-owned, Hired Car*).

c. Workers' Compensation Employers Liability: Insurance covering all employees meeting Statutory Limits in compliance with the applicable state and federal laws and Employers Liability with a limit of \$500,000 per accident, \$500,000 disease policy limit, \$500,000 disease each employee. *Waiver of Subrogation in lieu of Additional Insured will suffice.*

d. Professional Liability and Medical Malpractice Insurance, including errors and omissions, for all services provided under the terms of this agreement with minimum limits of One Million and 00/100 (\$1,000,000.00) Dollars per occurrence; or claims made from with "tail coverage" extending four (4) year beyond the term of the agreement. Proof of "tail coverage" must be submitted with the invoice for final payment. In lieu of "tail coverage", Contractor may submit annually to the County a current Certificate of Insurance proving claims made insurance remains in force throughout the same four (4)-year period.

e. Aviation Liability: Five Million and 00/100 (\$5,000,000.00) Dollars combined single limit per accident for bodily injury and property damage (including passengers) – per aircraft. Medical Expense (Including crew) \$3,000.00 each person, \$18,000 each occurrence.

**B. Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

**C. Other Insurance Provisions**

The policies are to contain, or be endorsed to contain, the following provisions: a. General Liability and Automobile Liability Coverage (*County is to be named as Additional Insured*).

1. The County, its officers, officials, employees and volunteers are to be covered as additional insureds as respects; liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The

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coverage shall contain no special limitations on the scope of protections afforded the County, its officers, officials, employees or volunteers.

2. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance of self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. Contractor hereby waives subrogation rights for loss or damage against the county.

3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the county, its officers, officials, employees or volunteers.

4. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Companies issuing the insurance policy, or policies, shall have no recourse against the County for payment of premiums or assessments for any deductibles with are all at the sole responsibility and risk of Contractor.

**D. All Coverages**

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County or ten (10) days notice for non- payment of premium.

**E. Acceptability of Insurers**

Insurance is to be placed with insurers with a Best's rating of no less than A:VII. or acceptable alternative to Leon County.

**F. Verification of Coverage**

Contractor shall furnish the County with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the County before work commences. The County reserves the right to require complete, certified copies of all required insurance policies at any time.

**G. Indemnification**

The Parties agree to indemnify each other (the "Indemnification Obligations") as follows:

1. THE COUNTY agrees to indemnify and hold AMC harmless from any claim, to the extent allowed under Section 768.28 Florida State Statutes, arising from the willful misconduct or negligence of COUNTY or its employees solely in connection with the

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- performance by COUNTY of its obligations specified in this Agreement. COUNTY in no way waives sovereign immunity under this Agreement.
2. AMC agrees to indemnify, and hold COUNTY harmless from and against any Claim arising from the willful misconduct or negligence of AMC or its employees solely in connection the performance by AMC of its obligations specified in this Agreement.
  3. COUNTY or AMC shall promptly notify the other Parties of the existence of any Claim, or the threat of any Claim, to which Indemnification Obligations might apply.
  4. The Indemnification Obligations shall not limit or exclude any rights, indemnities or limitations of liability to which COUNTY, AMC may otherwise be entitled, including COUNTY'S right to sovereign immunity.
  5. The Indemnification Obligations shall continue after the termination of this Agreement, solely as to Claims arising during the Term of this Agreement, and all rights associated with the Indemnification Obligations shall extend to the benefit of the successors or assigns of COUNTY and AMC.

**IX. General Conditions**

**A. Representations, Warranties, and Covenants.**

The Party indicated below hereby represents, warrants and covenants as follows:

1. AMC has obtained, and shall maintain and keep in force, all consents, licenses, permits, approvals and authorization of federal, state and local governmental authorities which may be required to execute, deliver and perform its obligations under this Memorandum of Understanding and to provide emergency medical services.
2. AMC is a corporation duly organized, validly existing, and in good standing under the laws of the Deleware, is appropriately licensed to provide air ambulance services in the State of Florida and has the power and authority to execute, deliver and perform its obligations under this Memorandum of Understanding.
3. The execution, delivery and performance of COUNTY of this Agreement have been authorized by all necessary action on the part of COUNTY.
4. The execution, delivery and performance of AMC of this Agreement have been authorized by all necessary action on the part of AMC.
5. AMC certifies for itself and any subcontractors compliance with Section 287.133, Florida Statutes.
6. AMC shall act as an independent contractor of the COUNTY. AMC agrees to conduct any and all business or actions in a manner independent of the COUNTY and further agrees that it will neither

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hold itself out as nor claim to be an officer, employee or agent of the COUNTY by reason of this Agreement, and that it will not by reason of this Agreement make any claim, demand, or application for any right or privilege applicable to an officer, employee, or agent of the COUNTY, including but not limited to, workman's compensation coverage, unemployment insurance benefits, social security coverage, retirement membership, or credit.

7. Pursuant to Chapter 119, F. S. and Section 286.11, F. S., AMC agrees to comply with Florida's public records and sunshine laws.

**X. Force Majeure.**

No Party shall be liable to the other Parties for failure to perform their obligations under this Agreement if and to the extent that such failure results from causes beyond the nonperforming Party's reasonable control, including without limitation such causes as strikes, lockouts, riots, fires, floods or other weather conditions, natural disasters, acts of God, acts of public enemy, or any regulations, orders or requirements of any duly authorized governmental body or agency (collectively, "Force Majeure"). If any Party is unable to perform as a result of Force Majeure, it shall promptly notify the other Parties in writing of the beginning and estimated ending of each such period. If any period of Force Majeure continues for thirty (30) days or more, the Party not so failing in performance shall have the right to terminate the Agreement upon written notice to the other Parties. During any period of Force Majeure, AMC need not maintain the Aircraft, its personnel or any special equipment on a readiness basis to perform flight services, but shall be free to utilize them elsewhere or to substitute similar aircraft, personnel or equipment.

**XI. Termination Conditions.**

This agreement may be terminated, without cause, by any party with one hundred eighty days (180) days written notice, sent certified mail, return receipt requested, to the signatures hereto.

**XII. Term of Agreement.**

This agreement shall be for a period of three (3) years, commencing on July 1, 2003, and shall continue until June 31, 2006. After the initial three (3) year period, at the discretion of the County, the contract may be extended for no more than two additional two (2) year periods. Such two (2) year extensions will be automatic unless the County provides written notice of non-renewal to the Contractor no less than one hundred-eighty (180) days prior to the expiration date of the then current period.

**XIII. Assignments.**

This Contract shall not be assigned or sublet as a whole or in part without the written consent of the County nor shall the contractor assign any monies due or to become due to him hereunder without the previous written consent of the County.

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**XIV. Audits, Records, and Records Retention**

The Contractor agrees:

- a. To establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided by the County under this contract.
- b. To retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this contract for a period of five (5) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this contract.
- c. Upon completion or termination of the contract and at the request of the County, the Contractor will cooperate with the County to facilitate the duplication and transfer of any said records or documents during the required retention period as specified in paragraph 1 above.
- d. To assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, state, or other personnel duly authorized by the County.
- e. Persons duly authorized by the County and Federal auditors, pursuant to 45 CFR, Part 92.36(I)(10), shall have full access to and the right to examine any of provider's contract and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained.
- f. To include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.

**XV. Monitoring**

The Contractor agrees:

To permit persons duly authorized by the County to inspect any records, papers, documents, facilities, goods, and services of the provider which are relevant to this contract, and interview any clients and employees of the provider to assure the County of satisfactory performance of the terms and conditions of this contract.

Following such evaluation, the County will deliver to the provider a written report of its findings and will include written recommendations with regard to the provider's performance of the terms and conditions of this contract. The provider

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will correct all noted deficiencies identified by the County within the specified period of time set forth in the recommendations. The provider's failure to correct noted deficiencies may, at the sole and exclusive discretion of the County, result in any one or any combination of the following: (1) the provider being deemed in breach or default of this contract; (2) the withholding of payments to the provider by the County; and (3) the termination of this contract for cause.


## XVI. Venue.

THE COUNTY and AMC agree that all activities shall be governed in all respects by the laws of the State of Florida, venue in the courts of Leon County, State of Florida.

**IN WITNESS WHEREOF, the parties have executed the Memorandum of Understanding, the date and year first written above.**

**Contractor:**

## Air Methods Corporation

  
Sr. VP Community Based Services, "LifeNet"

Date: June 7, 2003

## Leon County, Florida

**By: Tony Grippa, Chairman**

Date: \_\_\_\_\_

**ATTEST:**

**BOB INZER, CLERK OF COURT**

LEON COUNTY, FLORIDA

By: \_\_\_\_\_

APPROVED AS TO FORM

**LEON COUNTY ATTORNEY'S OFFICE**

By: \_\_\_\_\_

Herbert W. A. Thiele

**County Attorney**



# USAIG Certificate of Insurance

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This is to certify to **Board of County Commissioners**  
**Leon County**  
whose address is **301 South Monroe Street**  
**Tallahassee, FL 32301**

that **Air Methods Corporation, et al**  
**(Including Rocky Mountain Holdings, LLC., Mercy Air Service, Inc. &**  
**ARCH Air Medical Service, Inc.)**  
whose address is **7301 S. Peoria**  
**Englewood, CO 80112**

is at this date insured with one or more member companies of the United States Aircraft Insurance Group, for the Limits of Coverage stated below, at the following locations: the United States of America, its territories and possessions, Canada, Mexico, the Bahama Islands, the Islands of the West Indies or while enroute between these places.

## Descriptive Schedule of Coverages

Kind of Insurance	Policy Number(s)	Expiration Date(s)	Limits of Coverage	
			Each Person	Each Occurrence
<b>AIRCRAFT LIABILITY</b>				
Combined Liability Coverage for bodily injury and property damage	SIHL 1-118D	07/01/2003		\$30,000,000
Applies to all aircraft owned and/or operated by the Named Insured.				

## **AIRPORT LIABILITY**

Kind of Insurance	Policy Number(s)	Expiration Date(s)	Limits of Coverage	
			Each Person	Each Occurrence
Combined Liability Coverage for bodily injury and property damage (Including Coverage for Premises, Products/ Completed Operations, Personal Injury, Independent Contractors, Contractual Liability, Fire Legal Liability)	SIHL 1-118D	07/01/2003		\$ 30,000,000

The "Who's covered" section of "Your Liability Coverage" shall include Leon County but only as respects operations by or for the Named Insured.

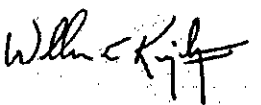
Malpractice. We won't cover bodily injury and mental anguish caused by the rendering of any professional services, or the omission of such services, or any medical or surgical treatments by any doctor, nurse or professional attendant.

This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all terms, exclusions and conditions of such policies.

The Aviation Managers of the USAIG (United States Aircraft Insurance Group) agree that in the event of cancellation of the policy(ies), they will endeavor to give the party to whom this Certificate is issued 30 days advance notice of such cancellation, but the Aviation Managers shall not be liable in any way for failure to give such notice.

**UNITED STATES AVIATION UNDERWRITERS, INC., Aviation Managers**

address: **6300 South Syracuse Way, Suite 570, Englewood, Colorado 80111**

by: 

Authorized Signature

date: **June 6, 2003**

Client#: 41971

AIRMET

**ACORD - CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
04/01/03**PRODUCER**Van Gilder Insurance Corp.  
700 Broadway, Suite 1000  
Denver, CO 80203  
303 837-8500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURED**Air Methods Corporation, Inc  
Rocky Mountains Helicopters  
7301 S. Peoria  
Englewood, CO 80112**INSURERS AFFORDING COVERAGE**

NAIC #

INSURER A: Admiral Insurance Company

INSURER B:

INSURER C:

INSURER D:

INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTA INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR CENTRAL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Per occurrence) \$ MED EXP. (Any one person) \$ PERSONAL & ADJ INJURY \$ CENTRAL AGGREGATE \$ PRODUCTS - COMPOUNDING \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> A. OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRE AUTOS <input type="checkbox"/> UNOWNED AUTOS				COVERED PERSONAL LIMIT (Per occurrence) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - GA ACCIDENT \$ OTHER THAN AUTO ONLY \$ AGG \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - GA ACCIDENT \$ OTHER THAN AUTO ONLY \$ AGG \$
	<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	<b>WORKERS COMPENSATION AND            EMPLOYERS LIABILITY</b> ANY FROTHUITOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe below: SPECIAL PROVISIONS BELOW				WE STATE: <input type="checkbox"/> JOINT <input type="checkbox"/> SEPARATE E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYED \$ E.L. DISEASE - POLICY LIMIT \$
A	<b>OTHER</b> <b>Professional            Liability</b>	A03PL17275	03/28/03	03/28/04	Limit: \$5,000,000 Deductible: \$50,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

**CERTIFICATE HOLDER**

State of Florida

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Bill W. W. W.*